

## ✓ Recommendation (1)

Section 03 of the National Security Act of 1947 should be amended in the form set forth in Appendix VI to this Report. These amendments, in summary, would:

a. Make explicit that the CIA's activities must be related to foreign intelligence.

b. Clarify the responsibility of the CIA to protect intelligence sources and methods from unauthorized disclosure. (The Agency would be responsible for protecting against unauthorized disclosures within the CIA, and it would be responsible for providing guidance and technical assistance to other agency and department heads in protecting against unauthorized disclosures within their own agencies and departments.)

c. Confirm publicly the CIA's existing authority to collect foreign intelligence from willing sources within the United States, and, except as specified by the President in a published Executive Order, prohibit the CIA from collection efforts within the United States directed at securing foreign intelligence from unknowing American citizens.

The Executive Order authorized by this statute should recognize that when the collection of foreign intelligence from persons who are not United States citizens results in the incidental acquisition of information from unknowing citizens, the Agency should be permitted to make appropriate use or disposition of such information. Such collection activities must be directed at foreign intelligence sources, and the involvement of American citizens must be incidental.

## ✓ Recommendation (2)

The President should by Executive Order prohibit the CIA from the collection of information about the domestic activities of United States citizens (whether by overt or covert means), the evaluation, correlation, and dissemination of analyses or reports about such activities, and the storage of such information, with exceptions for the following categories of persons or activities:

a. Persons presently or formerly affiliated, or being considered for affiliation, with the CIA, directly or indirectly, or others who require clearance by the CIA to receive classified information;

b. Persons or activities that pose a clear threat to CIA facilities or personnel, provided that proper coordination with the FBI is accomplished;

c. Persons suspected of espionage or other illegal activities relating to foreign intelligence, provided that proper coordination with the FBI is accomplished.

d. Information which is received incidental to appropriate CIA activities may be transmitted to an agency with appropriate jurisdiction, including law enforcement agencies.

Collection of information from normal library sources such as newspapers, books, magazines and other such documents is not to be affected by this order.

Information currently being maintained which is inconsistent with the order should be destroyed at the conclusion of the current congressional investigations or as soon thereafter as permitted by law.

The CIA should periodically screen its files and eliminate all material inconsistent with the order.

The order should be issued after consultation with the National Security Council, the Attorney General, and the Director of Central Intelligence. Any modification of the order would be per-

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*Recommendation (3)*

The President should recommend to Congress the establishment of a Joint Committee on Intelligence to assume the oversight role currently played by the Armed Services Committees.<sup>3</sup>

*Recommendation (4)*

Congress should give careful consideration to the question whether the budget of the CIA should not, at least to some extent, be made public, particularly in view of the provisions of Article I, Section 9, Clause 7 of the Constitution.<sup>4</sup>

*Recommendation (5)*

a. The functions of the President's Foreign Intelligence Advisory Board should be expanded to include oversight of the CIA. This expanded oversight board should be composed of distinguished citizens with varying backgrounds and experience. It should be headed by a full-time chairman and should have a full-time staff appropriate to its role. Its functions related to the CIA should include:

1. Assessing compliance by the CIA with its statutory authority.
2. Assessing the quality of foreign intelligence collection.
3. Assessing the quality of foreign intelligence estimates.
4. Assessing the quality of the organization of the CIA.
5. Assessing the quality of the management of the CIA.
6. Making recommendations with respect to the above subjects to the President and the Director of Central Intelligence, and, where appropriate, the Attorney General.

b. The Board should have access to all information in the CIA. It should be authorized to audit and investigate CIA expenditures and activities on its own initiative.

c. The Inspector General of the CIA should be authorized to report directly to the Board, after having notified the Director of Central Intelligence, in cases he deems appropriate.

<sup>3</sup> See statement by Commissioner Grinwald, Chapter 7.

<sup>4</sup> "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

*Recommendation (6)*

The Department of Justice and the CIA should establish written guidelines for the handling of reports of criminal violations by employees of the Agency or relating to its affairs. These guidelines should require that the criminal investigation and the decision whether to prosecute be made by the Department of Justice, after consideration of Agency views regarding the impact of prosecution on the national security. The Agency should be permitted to conduct such investigations as it requires to determine whether its operations have been jeopardized. The Agency should scrupulously avoid exercise of the prosecutorial function.

*Recommendation (7)*

a. Persons appointed to the position of Director of Central Intelligence should be individuals of stature, independence, and integrity. In making this appointment, consideration should be given to individuals from outside the career service of the CIA, although promotion from within should not be barred. Experience in intelligence service is not necessarily a prerequisite for the position; management and administrative skills are at least as important as the technical expertise which can always be found in an able deputy.

b. Although the Director serves at the pleasure of the President, no Director should serve in that position for more than 10 years.

*Recommendation (8)*

a. The Office of Deputy Director of Central Intelligence should be reconstituted to provide for two such deputies, in addition to the four heads of the Agency's directorates. One deputy would act as the administrative officer, freeing the Director from day-to-day management duties. The other deputy should be a military officer, serving the functions of fostering relations with the military and providing the Agency with technical expertise on military intelligence requirements.

b. The advice and consent of the Senate should be required for the appointment of each Deputy Director of Central Intelligence.

*Recommendation (9)*

a. The Inspector General should be upgraded to a status equivalent to that of the deputy directors in charge of the four directorates within the CIA.

b. The Office of Inspector General should be staffed by outstanding, experienced officers from both inside and outside the CIA, with ability to understand the various branches of the Agency.

c. The Inspector General's duties with respect to domestic CIA activities should include periodic reviews of all offices within the United States. He should examine each office for compliance with CIA authority and regulations as well as for the effectiveness of their programs in implementing policy objectives.

d. The Inspector General should investigate all reports from employees concerning possible violations of the CIA statute.

e. The Inspector General should be given complete access to all information in the CIA relevant to his reviews.

f. An effective Inspector General's office will require a larger staff, more frequent reviews, and highly qualified personnel.

g. Inspector General reports should be provided to the National Security Council and the recommended executive oversight body. The Inspector General should have the authority, when he deems it appropriate, after notifying the Director of Central Intelligence, to consult with the executive oversight body on any CIA activity (see Recommendation 5).

*Recommendation (10)*

and operation of the Office of General Counsel and the degree to which this office is consulted to determine whether the Agency is receiving adequate legal assistance and representation in view of current requirements.

b. Consideration should be given to measures which would strengthen the office's professional capabilities and resources including, among other things, (1) occasionally departing from the

*Recommendation (11)*

To a degree consistent with the need for security, the CIA should be encouraged to provide for increased lateral movement of personnel among the directorates and to bring persons with outside experience into the Agency at all levels.

✓ *Recommendation (12)*

a. The Agency should issue detailed guidelines for its employees further specifying those activities within the United States which are permitted and those which are prohibited by statute, Executive Orders, and NSC and DCI directives.

b. These guidelines should also set forth the standards which govern CIA activities and the general types of activities which are permitted and prohibited. They should, among other things, specify that:

~~Clandestine collection of intelligence directed against United States citizens is prohibited except as specifically permitted by law or published Executive Order.~~

—Unlawful methods or activities are prohibited.

—Prior approval of the DCI shall be required for any activities which may raise questions of compliance with the law or with Agency regulations.

c. The guidelines should also provide that employees with information on possibly improper activities are to bring it promptly to the attention of the Director of Central Intelligence or the Inspector General.

✓ *Recommendation (13)*

a. The President should instruct the Director of Central Intelligence that the CIA is not to engage again in domestic mail openings except with express statutory authority in time of war. (See also Recommendation 23.)

b. The President should instruct the Director of Central Intelligence that mail cover examinations are to be in compliance with postal regulations; they are to be undertaken only in furtherance of the CIA's legitimate activities and then only on a limited and selected basis clearly involving matters of national security.

*Recommendation (14)*

a. A capability should be developed within the FBI, or elsewhere in the Department of Justice, to evaluate, analyze, and coordinate intelligence and counterintelligence collected by the FBI concerning espionage, terrorism, and other related matters of internal security.

b. The CIA should restrict its participation in any joint intelligence committees to foreign intelligence matters.

c. The FBI should be encouraged to continue to look to the CIA for such foreign intelligence and counter-intelligence as is relevant to FBI needs.

*Recommendation (15)*

✓ ~~Presidents should refrain from directing the CIA to perform what are essentially internal security tasks.~~

b. The CIA should resist any efforts, whatever their origin, to involve it again in such improper activities.

c. The Agency should guard against allowing any component (like the Special Operations Group) to become so self-contained and isolated from top leadership that regular supervision and review are lost.

d. The files of the CHAOS project which have no foreign intelligence value should be destroyed by the Agency at the conclusion of the current congressional investigations, or as soon thereafter as permitted by law.

11 ✓ *Recommendation (16)*

~~The CIA should not infiltrate dissident groups or other organizations of Americans in the absence of a written determination by the Director of Central Intelligence that such action is necessary to meet a clear danger to Agency facilities, operations, or personnel and that adequate coverage by law enforcement agencies is unavailable.~~

*Recommendation (17)*

All files on individuals accumulated by the Office of Security in the program relating to dissidents should be identified, and, except where necessary for a legitimate foreign intelligence activity, be destroyed at the conclusion of the current congressional investigations, or as soon thereafter as permitted by law.

*Recommendation (18)*

a. The Director of Central Intelligence should issue clear guidelines setting forth the situations in which the CIA is justified in conducting its own investigation of individuals presently or formerly affiliated with it.

b. The guidelines should permit the CIA to conduct investigations of such persons only when the Director of Central Intelligence first determines that the investigation is necessary to protect intelligence sources and methods the disclosure of which might endanger the national security.

c. Such investigations must be coordinated with the FBI whenever substantial evidence suggesting espionage or violation of a federal criminal statute is discovered.

*Recommendation (19)*

a. In cases involving serious or continuing security violations, as determined by the Security Committee of the United States Intelligence Board, the Committee should be authorized to recommend in writing to the Director of Central Intelligence (with a copy to the National Security Council) that the case be referred to the FBI for further investigation, under procedures to be developed by the Attorney General.

b. These procedures should include a requirement that the FBI accept such referrals without regard to whether a favorable prosecutive opinion is issued by the Justice Department. The CIA should not engage in such further investigations.

*Recommendation (20)*

The CIA and other components and agencies of the intelligence community should conduct periodic reviews of all classified material originating within those departments or agencies, with a view to declassifying as much of that material as possible. The purpose of such review would be to assure the public that it has access to all information that should properly be disclosed.

*Recommendation (21)*

The Commission endorses legislation, drafted with appropriate safeguards of the constitutional rights of all affected individuals, which would make it a criminal offense for employees or former employees of the CIA wilfully to divulge to any unauthorized person classified information pertaining to foreign intelligence or the collection thereof obtained during the course of their employment.

*Recommendation (22)*

The CIA should not undertake physical surveillance (defined as systematic observation) of Agency employees, contractors or related personnel within the United States without first obtaining written approval of the Director of Central Intelligence.

*Recommendation (23)*

In the United States and its possessions, the CIA should not intercept wire or oral communications<sup>6</sup> or otherwise engage in activities that would require a warrant if conducted by a law enforcement agency. Responsibility for such activities belongs with the FBI.

*Recommendation (24)*

The CIA should strictly adhere to established legal procedures governing access to federal income tax information.

*Recommendation (25)*

CIA investigation records should show that each investigation was duly authorized, and by whom, and should clearly set forth the factual basis for undertaking the investigation and the results of the investigation.

*Recommendation (26)*

a. A single and exclusive high-level channel should be established for transmission of all White House staff requests to the CIA. This channel should run between an officer of the National Security Council staff designated by the President and the office of the Director or his Deputy.

b. All Agency officers and employees should be instructed that any direction or request reaching them directly and out of regularly established channels should be immediately reported to the Director of Central Intelligence.

*Recommendation (27)*

In accordance with its present guidelines, the CIA should not again engage in the testing of drugs on unsuspecting persons.

*Recommendation (28)*

Testing of equipment for monitoring conversations should not involve unsuspecting persons living within the United States.

*Recommendation (29)*

A civilian agency committee should be reestablished to oversee the civilian uses of aerial intelligence photography in order to avoid any concerns over the improper domestic use of a CIA-developed system.

*Recommendation (30)*

The Director of Central Intelligence and the Director of the FBI should prepare and submit for approval by the National Security Council a detailed agreement setting forth the jurisdiction of each agency and providing for effective liaison with respect to all matters of mutual concern. This agreement should be consistent with the provisions of law and with other applicable recommendations of this Report.



THE UNDER SECRETARY OF STATE

WASHINGTON

ILLEGIB

ILLEGIB

March 24, 1967

ILLEGIB

Dear Mr. President:

The committee which you appointed on February 15, 1967 has sought, pursuant to your request:

--To review relationships between government agencies, notably the Central Intelligence Agency, and educational and private voluntary organizations which operate abroad; and

--To recommend means to help assure that such organizations can play their proper and vital role abroad.

The committee has held a number of meetings, interviewed dozens of individuals in and out of government, and reviewed thousands of pages of reports. We have surveyed the relevant activities of a number of federal agencies. And we have reviewed in particular and specific detail the relationship between CIA and each relevant organization.

Our report, supplemented with supporting classified documents, follows.

In summary, the committee offers two basic recommendations:

~~There should be no policy of the United States Government that no federal agency should have any covert financial~~

The President

The White House.

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assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations.

2. The Government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support.

### 1: A NEW POLICY

The years immediately after World War II saw a surge of communist activity in organizations throughout the world. Students, scientists, veterans, women and professional groups were organized into international bodies which spoke in the cadences, advocated the policies, and furthered the interests of the communist bloc. Much of this activity was organized, directed, and financed covertly by communist governments.

American organizations reacted from the first. The young men and women who founded the United States National Student Association, for example, did so precisely to give American youth the capacity to hold their own in the international arena. But the importance of students as a force in international events had yet to become widely understood and NSA found it difficult to attract private support for its international activities. Accordingly, the United States Government, acting through the Central Intelligence Agency, provided support for this overseas work.

We have taken NSA as an example. While no useful purpose would be served by detailing any other CIA programs of assistance to private American voluntary organizations, the fundamental point should be clearly stated: such assistance was given pursuant to National Security Council policies beginning in October, 1951 and with the subsequent concurrence of high-level senior interdepartmental review committees in the last four Administrations. In December, 1960, in a classified report submitted after a year of study, a public-private Presidential Committee on Information Activities Abroad specifically endorsed both overt and covert programs, including those assisted by CIA.

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No federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations. This policy specifically applies to all foreign activities of such organizations and it reaffirms present policy with respect to their domestic activities.

Where such support has been given, it will be terminated as quickly as possible without destroying valuable private organizations before they can seek new means of support.\*

We believe that, particularly in the light of recent publicity, establishment of a clear policy of this kind is the only way for the government to carry out two important responsibilities. One is to avoid any implication that governmental assistance, because it is given covertly, is used to affect the policies of private voluntary groups. The second responsibility is to make it plain in all foreign countries that the activities of private American groups abroad are, in fact, private.

The committee has sought carefully to assess the impact of this Statement of Policy on CIA. We have reviewed each relevant program of assistance carried out by the Agency in case-by-case detail. As a result of this scrutiny, the committee is satisfied that application of the Statement of Policy will not unduly handicap the Agency in the exercise of its national security responsibilities. Indeed, it should be noted that, starting well before the appearance of recent publicity, CIA had initiated and pursued efforts to disengage from certain of these activities.

The committee also recommends that the implementation of this policy be supervised by the senior interdepartmental

On the basis of an early review, we expect that the process of disengagement will be largely, perhaps actually, completed by December 31, 1967.

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review committee which already passes on proposed CIA activities and which would review and assist in the process of disengagement.\*

## 2: NEW METHODS OF SUPPORT

While our first recommendation seeks to insure the independence of private voluntary organizations, it does not deal with an underlying problem--how to support the national need for, and the intrinsic worth of, their efforts abroad.

Anyone who has the slightest familiarity with intellectual or youth groups abroad knows that free institutions continue to be under bitter, continuous attack, some of it carefully organized and well-financed, all of it potentially dangerous to this nation.

It is of the greatest importance to our future and to the future of free institutions everywhere that other nations, especially their young people, know and understand American viewpoints. There is no better way to meet this need than through the activity of private American organizations.

\* If the Statement of Policy is to be effective, it must be rigorously enforced. In the judgment of this committee, no programs currently would justify any exception to this policy. At the same time, where the security of the nation may be at stake, it is impossible for this committee to state categorically now that there will never be a contingency in which overriding national security interests may require an exception--nor would it be credible to enunciate a policy which purported to do so.

We therefore recommend that, in the event of such unusual contingencies, the interdepartmental review committee be permitted to make exceptions to the Statement of Policy, but only where overriding national security interests so require; only on a case-by-case basis; only where open sources of support are shown to be unavailable; and only when such exceptions receive the specific approval of the Secretaries of State and Defense. In no event should any future exception be approved which involves any educational, philanthropic, or cultural organization.

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The time has surely come for the government to help support such activity in a mature, open manner.

Some progress toward that aim already has been made. In recent years, a number of federal agencies have developed contracts, grants, and other forms of open assistance to private organizations for overseas activities. This assistance, however, does not deal with a major aspect of the problem. A number of organizations cannot, without hampering their effectiveness as independent bodies, accept funds directly from government agencies.

The committee therefore recommends that the Government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support.

Such a mechanism could take various forms. One promising proposal, advanced by Mr. Eugene Black, calls for a publicly funded but privately administered body patterned on the British Council.

The British Council established in 1934, operates in 80 countries, administering approximately \$30,000,000 annually for reference libraries, exhibitions, scholarships, international conferences, and cultural exchanges. Because 21 of its 30 members are drawn from private life, the Council has maintained a reputation for independence, even though 90 percent of its funds are governmental.

According to the UNESCO Directory of Cultural Relations Services, other nations have developed somewhat similar institutions. The Indian Council for Cultural Relations, for example, is entirely government-financed but operates autonomously. The governing body of the Swedish Institute for Cultural Relations consists of both government and private members. This institute receives 75 percent of its funds from the government and the remainder from private contributions.

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The experience of these and other countries helps to demonstrate the desirability of a similar body in the United States, wholly or largely funded by the federal government. Another approach might be the establishment of a governmental foundation, perhaps with links to the existing Federal Inter-Agency Council on International Education and Cultural Affairs.

Such a public-private body would not be new to the United States. Congress established the Smithsonian Institution, for example, more than a century ago as a private corporation, under the guardianship of Congress, but governed by a mixed public-private Board of Regents.

The committee began a preliminary study of what might be the best method of meeting the present need. It is evident, however, that, because of the great range both of existing government and private philanthropic programs, the refinement of alternatives and selection among them is a task of considerable complexity. Accordingly, we do not believe that this exclusively governmental committee is an appropriate forum for the task and we recommend, instead, the appointment of a larger group, including individuals in private life with extensive experience in this field.

The basic principle, in any event, is clear. To be effective, such a new institution would have to be--and be recognized as--an independent body, not controlled by the government.

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The prompt creation of such an institution, based on this principle, would fill an important--and never more apparent--national need.

Respectfully,

John W. Gardner  
Secretary of  
Health, Education and Welfare

Richard Helms  
Director  
Central Intelligence Agency

Nicholas deB. Katzenbach  
Under Secretary of State,  
Chairman



1 May 1978

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# Head of U.W. Law School

## New dean wants C.I.A. kept off campuses

by JULIE EMERY

Universities should be communities for open discussion, free of clandestine or similar government watching, according to the new dean of the University of Washington Law School.

Ernest Gellhorn said that if a report that the Central Intelligence Agency has clandestine operations on more than 100 campuses — "or for that matter on any campus" — is correct, such operations should be stopped.

Such activities seem beyond the agency's authority and are "inappropriate in our society," said Gellhorn. An atmosphere of freedom is essential to the dialog and research that are crucial to a university, he added.

Gellhorn, 43, was a senior counsel for the Rockefeller Commission named by former President Gerald Ford to investigate charges that the C.I.A. illegally spied on American citizens.

Many of the commission's findings, issued in June, 1975, were incorporated into an executive order by President Ford that imposed constraints on the agency's domestic surveillance. The order also explained the obligations and responsibilities of government in intelligence collection.

**GELLHORN, FORMER** law dean at Arizona State University, Tempe, suggested four steps to protect and preserve universities' independence:

— The C.I.A. should "rigorously adhere" to recommendations of the more than 12-year-old Katzenbach Report regarding secret contracts with student groups and on campuses.

— Recommendations of the Rockefeller Commission report should be implemented fully. "Until this occurs, we cannot be

assured that the C.I.A. has confined itself to lawful activities," Gellhorn said.

— The National Intelligence Reorganization and Reform Act of 1978, proposed in February by the Senate Select Committee, should serve as a basis for new legislation giving the C.I.A. and other security agencies specific charters. It is time to "set forth the do's and don'ts in this area," he said.

— Universities should protect themselves by adopting rules and procedures similar to guidelines set up last year at Harvard University.

Gellhorn said the "modest steps," also will recognize the legitimate needs of security and not impair proper investigations and intelligence gathering.

"Spying on American campuses has not been fruitful in the past and seems an unlikely place for gathering sensitive information relating to national security in the future," the dean said.

"But we should recognize that the rules are not self-enforcing. There is no substitute for the appointment of sensible and sensitive leaders for the C.I.A. and other security agencies."

### GELLHORN'S REMARKS

were made in response to a talk at Stanford University by Morton Halperin, director of the Center for National Security Studies, who said the "C.I.A. feels free to operate, and clearly seeks to operate, on every campus with a large foreign student population, a faculty which travels and a high-quality student body."

Halperin said foreign students face a special problem since they may be sought either as recruits for "friendly" intelligence agencies in their own country or as C.I.A. double agents in their

homeland.

The U.W. has about 1,800 foreign students.

Mike Shanahan, U.W. police chief, said campus police have not had dealings with the C.I.A. on the campus other than the times the agency recruits college graduates at Loew Hall's Placement Center.

Any security investigations involving the university have been through the Federal Bureau of Investigation, Shanahan said, and those were "years ago," during the protest era of the early 1970s.

**ASKED ABOUT** police surveillance, Gellhorn said:

"We are developing a much more civilized society where we give much greater credence to individual privacy and seek to strike a more careful balance between societal needs and individual rights."

"... And the police are caught in the middle," he said. But that doesn't mean police are in for tough times, he said, but rather it is a question of "knowing the game."

Of the Allan Bakke medical-admissions case now before the United States Supreme Court, Gellhorn said it is a case "where you could get nine opinions."

If the high court upholds Bakke, the next challenge may be to financial aid because it discriminates against wealthier citizens, the dean said, adding that the Bakke case has "enormous ramifications."